

HOUSE BILL 2264

By Hicks G

AN ACT to amend Tennessee Code Annotated, Title 8,
Chapter 19; Title 13, Chapter 14 and Title 64,
Chapter 7, relative to public development entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-14-114(a), is amended by designating the existing language as subdivision (a)(1) and adding the following as a new subdivision (a)(2):

(2)

(A) A development district may obtain, in lieu of the surety bond required by subdivision (a)(1), a policy of insurance issued by an insurance company duly authorized to do business in this state or an agreement with a pool established by two (2) or more governmental entities pursuant to § 29-20-401 or an entity established pursuant to § 29-20-401(b)(2) for the administration of such agreement, which provides government crime coverage, employee dishonesty insurance coverage, or equivalent coverage that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities.

(B) A policy or agreement obtained pursuant to subdivision (a)(2)(A) must have limits of not less than four hundred thousand dollars (\$400,000) per occurrence.

(C) A policy or agreement satisfying the requirements set forth in subdivision (a)(2)(A) is deemed to be a blanket official bond for each official or office identified in the policy or agreement for all purposes under this chapter.

(D) The officials who may be covered under the policy or agreement include board members, policy council members, employees, officers, and other authorized persons of a development district who handle public funds pursuant to this chapter.

(E) A copy of the policy or agreement evidencing the persons covered, the amount of coverage maintained, and the type of coverage provided must be filed in the office of the register of deeds where the office of the development district is located.

(F) A policy or agreement filed pursuant to subdivision (a)(2)(E) satisfies the requirement for the filing of official bonds under subsection (e).

SECTION 2. Tennessee Code Annotated, Section 64-7-109, is amended by deleting the section and substituting:

A regional council member, executive committee member, employee, officer or any other authorized person of the regional council who receives public funds, has authority to make expenditures from public funds or has access to any public funds shall give bond or obtain an insurance policy in accordance with § 13-14-114.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.